

ASSEMBLY BILL

No. 559

Introduced by Assembly Member Emmerson

February 16, 2005

An act to amend Section 33671 of the Health and Safety Code, relating to redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

AB 559, as introduced, Emmerson. Redevelopment: funds.

Existing law authorizes redevelopment agencies to pay the principal of, and interest on, indebtedness incurred to finance or refinance redevelopment, from a portion of property tax revenues diverted from other taxing agencies. The portion of taxes diverted is the amount attributable to increases in assessed valuation of property in the redevelopment project area subsequent to establishment thereof. This method of financing is commonly known as "tax increment" financing and is specifically authorized by Section 16 of Article XVI of the California Constitution.

Existing law authorizes a redevelopment agency, in any redevelopment plan or in the proceedings for the advance of moneys, or making of loans, or the incurring of any indebtedness, to finance or refinance, in whole or in part, a redevelopment project, to irrevocably pledge its tax increment revenues for the payment of the principal of and interest on these loans, advances, or indebtedness.

This bill would make technical, nonsubstantive changes in the provision that authorizes a redevelopment agency to pledge its tax increment revenues for the payment on loans, advances, or indebtedness.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 33671 of the Health and Safety Code is
2 amended to read:
3 33671. ~~In any~~ *A redevelopment agency may, in a*
4 *redevelopment plan or* in the proceedings for the advance of
5 moneys, ~~or~~ making of loans, or the incurring of any indebtedness
6 (, whether funded, refunded, assumed, or otherwise), ~~by the~~
7 ~~redevelopment agency~~ to finance or refinance, in whole or in
8 part, the redevelopment project, *irrevocably pledge* the portion of
9 taxes ~~mentioned~~ *specified* in subdivision (b) of Section 33670
10 ~~may be irrevocably pledged~~ for the payment of the principal of
11 and interest on ~~such~~ *these* loans, advances, or indebtedness.